

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

CLERK  
U.S. BANKRUPTCY  
COURT - WDP

In re:	:	Case No.:	19-23923-GLT
	:	Chapter:	11
PRC Acquisition, LLC	:		
	:		
	:	Date:	2/20/2020
<i>Debtor(s).</i>	:	Time:	10:00

**PROCEEDING MEMO**

**MATTER:** #64 - Status Conference on Debtor's Motion to Extend Time to File  
Applications to Employ a Real Estate Broker and Property Manager  
#67 - Status Report by Debtor

**APPEARANCES:**

Debtor: Ryan Cooney  
Enterprise: Will Buchanan

**NOTES:** (10:10)

Cooney: There have been some improvements since the last hearing - the stipulation with Enterprise will allow for a quick sales process. I recognize there are still hurdles we need to overcome. The debtor has made some progress. Neither application to hire a property manager or a real estate broker has been filed. From January 28 until this past week, there were intense negotiations with a potential purchaser. If we could have gotten that deal, the need to hire those two professionals would have been moot.

Court: Why couldn't the broker have been hired with a carve out for the prospective buyer?

Cooney: We were leaning towards a reduced commission with the broker we were speaking with - of around 3% not the usual 6%.

Court: Why would the broker get any commission if they didn't bring in the buyer?

Cooney: Because there is some up front cost with beginning marketing.

Court: What value is the DIP providing? There are no employees, no income, there is unrepaired damage to the property, there is a property manager who hasn't been paid.

Cooney: I think we're close to implementing a sales process.

Court: The principal, if things continue as is, needs to kick in some equity to get us through the sales process.

Cooney: He has.

Court: But he hasn't paid the property manager.

Cooney: That's correct. He said a wire has been initiated from Zimbabwe through Singapore to Pittsburgh, it's a three to five day process.

Court: How much is the property manager due?

Cooney: About \$25,000, for prepetition services. Which the principal has agreed to be personally liable for.

Court: It seems like there are creditors who have claims because of repairs to the property. Was that related to the bank

applying the proceeds to the loan as opposed to fixing the property?

Cooney: Yes.

Court: You're saying the raw land is worth \$3.2 million?

Cooney: That's what the 2015 appraisal said.

Buchanan: I don't have much to add, the stipulation preserves everyone's rights. The stipulation provides for a sale timeline.

Court: The stipulation impacts the rights of other creditors, and so there needs to be proper notice and a chance for those other creditors to be heard. How much was the initial insurance retainer?

Cooney: \$20,000.

Court: What time period does that amount cover?

Cooney: About 60 days, and he's paid for a third month as well. He also said that an additional \$20,000 is en route, though I asked for more. The de facto property manager is in discussions with Duquesne Light. They have readied the electricity system for a county inspection.

Court: Is there a fire suppression system? Has the water been shut off for that?

Cooney: Yes there is and I don't know if the water has been shut off for that.

Court: So there needs to be heat so that those pipes don't freeze. The broker application has been circulated?

Cooney: The listing agreement has been circulated. I'm hopeful he'll counter sign the listing agreement.

Court: By February 28, 2020, you are required to file the application to employ the broker and the property manager; an itemization of all equity advances the principal has provided post petition via a status report; and the principal needs to wire to your client account \$60,000 total to cover property maintenance expenses during any sale period, to arrive in that account by noon on the 28th.

**OUTCOME:**

1. Status Conference on *Debtor's Motion to Extend Time to File Applications to Employ a Real Estate Broker and Property Manager* [Dkt. No. 64] is CONCLUDED. [Text Order to Issue]
2. On or before February 28, 2020, at 12:00 p.m. the debtor shall, (a) file applications to employ a real estate broker and a property manager; (b) file a status report itemizing all equity advances the principal has provided post petition; (c) file a property management budget covering the time period of February 1, 2020, through May 31, 2020; (d) provide an advance of \$60,000 towards property management expenses; and (e) file all outstanding monthly operating reports. [Chambers to issue]
3. On or before February 28, 2020, at 4:00 p.m. debtor's counsel shall file a status report confirming whether the debtor's \$60,000 payment was received. [Chambers to issue]

**DATED:** 2/20/2020